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Page 1 of * 23

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2020 - * 087
Amendment No. (req. for Amendments *)

Filing by The Nasdaq Stock Market LLC

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☑	☐	☐	☐	☑	☐

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
☑ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☐ 19b-4(f)(6)

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

A proposal to amend the Exchanges transaction credits at Equity 7 Sections 114 and 118

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Brett
Last Name * Kitt
Title * AVP Principal Associate General Counsel
E-mail * brett.kitt@nasdaq.com
Telephone * (301) 978-8183
Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 12/07/2020

By John Zecca

(Name *)

(Title *)

EVP and Chief Legal Counsel

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

john.zecca@nasdaq.com

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information * Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] is filing with the Securities and Exchange Commission ("SEC" or "Commission") a proposal to amend the Exchange's transaction credits at Equity 7, Sections 114 and 118, as described further below.

A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors (the "Board") on September 26, 2019. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to:

Brett Kitt
AVP, Principal Associate General Counsel
Nasdaq, Inc.
(301) 978-8183

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3. <u>Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change</u>

a. <u>Purpose</u>

Presently, the Exchange provides its members with various credits for executing orders in securities priced at or above $1 that add liquidity to the Exchange and charges them various fees for executing orders, also in securities priced at or above $1 that remove liquidity from the Exchange, as set forth in Equity 7, Section 118(a) of the Exchange's Rules. Members may qualify for tiers of discounted fees and premium credits based, in part, upon the volume of their activities in securities priced at or above $1 on the Exchange as a percentage of total "Consolidated Volume."

Pursuant to Equity 7, Section 118(a), the term "Consolidated Volume" means the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity the date of the annual reconstitution of the Russell Investments Indexes is excluded from both total Consolidated Volume and the member's trading activity.

Similarly, in Equity 7, Section 114, the Exchange offers several several special pricing programs that are based, in part, upon members' activities in securities priced at or more than $1 relative to total Consolidated Volume. These programs provide credits to Qualified Market Makers, to members that establish the National Best Bid or Offer, and to members that grow their activity on the Exchange to a specified extent.

Generally, the ratio of consolidated volumes in securities priced at or above $1 ("dollar plus volume") relative to securities priced below a dollar ("sub-dollar volume") has been stable from month to month, such that "Consolidated Volume" has been a reasonable baseline for determining tiered and special pricing for members that execute dollar plus volume on the Exchange.

In December 2020, however, sub-dollar volume has increased dramatically and unusually relative to dollar plus volume due to activity concentrated in a handful of non-institutional firms, trading mostly one particular sub-dollar stock. Additionally, this volume spike may have been exacerbated by changes to other exchanges' pricing schemes, which have incentivized sub-dollar trading.

Trading volume in just this one sub-dollar security comprised 9.68 percent of daily volume on December 1, 2020, and thus far in December 2020, sub-dollar volume comprises 15.75 percent of Consolidated Volume. By comparison, sub-dollar volume comprised only 8.69 percent of Consolidated Volume, on average, during the preceding 12 months.

This anomalous rise in sub-dollar volume stands to have a material adverse impact on members' qualifications for dollar plus pricing tiers and special pricing programs because such qualifications depend members upon achieving threshold percentages of volumes as a percentage of Consolidated Volume, and the extraordinary rise in sub-dollar volume stands to dilute Consolidated Volume in December 2020. As a result, members may find it more difficult, if not practically impossible, to qualify for or to continue to qualify for their existing dollar plus pricing tiers and incentives programs, even if their dollar plus volumes have not diminished relative to prior months. The Exchange notes that its members mostly have not been responsible for the spike in sub-dollar volume, such that they are likely to experience these adverse effects fully.

The Exchange believes that it would be unfair for its members that execute significant dollar plus volumes on the Exchange to fail to achieve or to lose their existing qualifications for tiered or special pricing for such volumes in December 2020 due to anomalous behavior which is entirely extraneous to them.

The Exchange is presently assessing whether the current spike in sub-dollar volumes is an isolated event or whether instead it is likely to recur. If the latter, the Exchange may wish to propose adjustments to its pricing formulas going forward to avoid extraordinary spikes in sub-dollar volumes from adversely affecting the pricing of dollar plus stock executions. In the interim, however, the Exchange believes that it would be fair and appropriate to take action to avoid adverse impacts for December 2020 pricing.

Accordingly, the Exchange proposes to amend its pricing schedule at Equity 7, Sections 114 and 118 to state that for purposes of determining which of the execution charges and credits listed therein a member qualifies for during the month of December 2020, the Exchange will calculate the member's volume and total Consolidated Volume twice. First, it will calculate the member's volume and Consolidated Volume as presently set forth in Equity 7, Section 118(a). Second, it will calculate the member's volume and Consolidated Volume by excluding volume and Consolidated Volume that consists of executed orders in securities priced less than $1. Therafter, the Exchange proposes to evaluate which of these two member volume and Consolidated Volume calculations would qualify members for the most advantageous credits and charges for the month of December 2020 and then it will apply those credits and charges to its members. Thus, if but for the sub-dollar anomaly, a member would qualify for a higher credit or a lower fee tier in December, then the Exchange will apply that higher credit or lower fee tier to the member's trading activity during the month.

Impact of the Changes

As of December 4, 2020, the Exchange assesses that several members are at risk of failing to qualify for pricing tiers or for special inventive programs in the month of December due to sub-dollar activity. The proposal will ensure that no member suffers any such adverse impact. It will also ensure that members whose volumes in December would otherwise newly qualify them for better pricing tiers or special incentive programs will be able to achieve such qualifications.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[3] in general, and further the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[4] in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The proposal is also consistent with Section 11A of the Act relating to the establishment of the national market system for securities.

The Exchange believes that the proposal is reasonable and equitable because in its absence, members may fail to qualify their existing pricing tiers and programs or fail to qualify for better pricing tiers or programs due to factors that are unrelated to the volumes they execute on the Exchange as well as the total consolidated volume of dollar plus

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3 15 U.S.C. 78f(b).

4 15 U.S.C. 78f(b)(4) and (5).

securities executed on all trading venues. The Exchange does not wish to penalize members that execute significant volumes on the Exchange due to anomalous and extraneous trading activities of a small number of firms in sub-dollar securities. The proposed rule would seek to avoid such a penalty by determing whether calculating member volume and total Consolidated Volume for December to include or exclude sub-dollar volume would result in Exchange members qualifying for the most advantageous credits and charges, and then applying the calculations that would result in the pricing that is most advantageous to each member.

The Exchange notes that other exchanges have taken similar steps to avoid penalizing their members for unusual occurrences that would otherwise cause members to fail to qualify for volume-based tiered pricing.[5]

The Exchange believes that the proposed rule change is an equitable allocation and is not unfairly discriminatory because the Exchange intends for it to ensure that no member suffers adverse pricing impacts in December 2020 due to an anomalous spike in sub-dollar volumes. That is, the Exchange does not intend for the proposal to advantage any particular member; rather, it intends for the proposal to avoid disadvantaging any member.

4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the

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5 See, e.g., Securities Exchange Act Release No. 34-90339 (November 4, 2020), 85 FR 71689 (November 10, 2020) (SR-PHLX-2020-50); Securities Exchange Act Release No. 34-85025 (Jan 1, 2019), 84 FR 2611 (February 7, 2019) (SR-ISE-2018-102).

Act. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees and credits to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee and credit changes in this market may impose any burden on competition is extremely limited.

In this instance, the proposal does not impose a burden on competition because the Exchange's execution services are completely voluntary and subject to extensive competition both from other exchanges and from off-exchange venues. If the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result.

The Exchange does not believe that the proposal will burden intra-market competition. As noted above, the proposal will simply help to ensure that no member suffers a pricing disadvantage in December 2020 due to an anomalous spike in sub-dollar volumes which dilutes Consolidated Volume. It is not intended to provide a competitive advantage to any particular member.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,[6] the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

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[6] 15 U.S.C. 78s(b)(3)(A)(ii).

11. Exhibits

1. Notice of Proposed Rule Change for publication in the Federal Register.

5. Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-NASDAQ-2020-087)

December __, 2020

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Exchange's Transaction Credits at Equity 7, Sections 114 and 118

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1], and Rule 19b-4 thereunder,[2] notice is hereby given that on December 7, 2020, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's transaction credits at Equity 7, Sections 114 and 118, as described further below.

The text of the proposed rule change is available on the Exchange's Website at https://listingcenter.nasdaq.com/rulebook/nasdaq/rules, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Presently, the Exchange provides its members with various credits for executing orders in securities priced at or above $1 that add liquidity to the Exchange and charges them various fees for executing orders, also in securities priced at or above $1 that remove liquidity from the Exchange, as set forth in Equity 7, Section 118(a) of the Exchange's Rules. Members may qualify for tiers of discounted fees and premium credits based, in part, upon the volume of their activities in securities priced at or above $1 on the Exchange as a percentage of total "Consolidated Volume."

Pursuant to Equity 7, Section 118(a), the term "Consolidated Volume" means the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity the date of the annual reconstitution of the Russell Investments Indexes is excluded from both total Consolidated Volume and the member's trading activity.

Similarly, in Equity 7, Section 114, the Exchange offers several special pricing programs that are based, in part, upon members' activities in securities priced at or more than $1 relative to total Consolidated Volume. These programs provide credits to Qualified Market Makers, to members that establish the National Best Bid or Offer, and to members that grow their activity on the Exchange to a specified extent.

Generally, the ratio of consolidated volumes in securities priced at or above $1 ("dollar plus volume") relative to securities priced below a dollar ("sub-dollar volume") has been stable from month to month, such that "Consolidated Volume" has been a reasonable baseline for determining tiered and special pricing for members that execute dollar plus volume on the Exchange.

In December 2020, however, sub-dollar volume has increased dramatically and unusually relative to dollar plus volume due to activity concentrated in a handful of non-institutional firms, trading mostly one particular sub-dollar stock. Additionally, this volume spike may have been exacerbated by changes to other exchanges' pricing schemes, which have incentivized sub-dollar trading.

Trading volume in just this one sub-dollar security comprised 9.68 percent of daily volume on December 1, 2020, and thus far in December 2020, sub-dollar volume comprises 15.75 percent of Consolidated Volume. By comparison, sub-dollar volume comprised only 8.69 percent of Consolidated Volume, on average, during the preceding 12 months.

This anomalous rise in sub-dollar volume stands to have a material adverse impact on members' qualifications for dollar plus pricing tiers and special pricing programs because such qualifications depend members upon achieving threshold percentages of volumes as a percentage of Consolidated Volume, and the extraordinary rise in sub-dollar volume stands to dilute Consolidated Volume in December 2020. As a result, members may find it more difficult, if not practically impossible, to qualify for or to continue to qualify for their existing dollar plus pricing tiers and incentives programs, even if their dollar plus volumes have not diminished relative to prior months. The Exchange notes that its members mostly have not been responsible for the spike in sub-dollar volume, such that they are likely to experience these adverse effects fully.

The Exchange believes that it would be unfair for its members that execute significant dollar plus volumes on the Exchange to fail to achieve or to lose their existing qualifications for tiered or special pricing for such volumes in December 2020 due to anomalous behavior which is entirely extraneous to them.

The Exchange is presently assessing whether the current spike in sub-dollar volumes is an isolated event or whether instead it is likely to recur. If the latter, the Exchange may wish to propose adjustments to its pricing formulas going forward to avoid extraordinary spikes in sub-dollar volumes from adversely affecting the pricing of dollar plus stock executions. In the interim, however, the Exchange believes that it would be fair and appropriate to take action to avoid adverse impacts for December 2020 pricing.

Accordingly, the Exchange proposes to amend its pricing schedule at Equity 7, Sections 114 and 118 to state that for purposes of determining which of the execution charges and credits listed therein a member qualifies for during the month of December 2020, the Exchange will calculate the member's volume and total Consolidated Volume twice. First, it will calculate the member's volume and Consolidated Volume as presently set forth in Equity 7, Section 118(a). Second, it will calculate the member's volume and Consolidated Volume by excluding volume and Consolidated Volume that consists of executed orders in securities priced less than $1. Therafter, the Exchange proposes to evaluate which of these two member volume and Consolidated Volume calculations would qualify members for the most advantageous credits and charges for the month of December 2020 and then it will apply those credits and charges to its members. Thus, if but for the sub-dollar anomaly, a member would qualify for a higher credit or a lower fee tier in December, then the Exchange will apply that higher credit or lower fee tier to the member's trading activity during the month.

Impact of the Changes

As of December 4, 2020, the Exchange assesses that several members are at risk of failing to qualify for pricing tiers or for special inventive programs in the month of December due to sub-dollar activity. The proposal will ensure that no member suffers any such adverse impact. It will also ensure that members whose volumes in December would otherwise newly qualify them for better pricing tiers or special incentive programs will be able to achieve such qualifications.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[3] in general, and further the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[4] in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not

[3] 15 U.S.C. 78f(b).

[4] 15 U.S.C. 78f(b)(4) and (5).

designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The proposal is also consistent with Section 11A of the Act relating to the establishment of the national market system for securities.

The Exchange believes that the proposal is reasonable and equitable because in its absence, members may fail to qualify their existing pricing tiers and programs or fail to qualify for better pricing tiers or programs due to factors that are unrelated to the volumes they execute on the Exchange as well as the total consolidated volume of dollar plus securities executed on all trading venues. The Exchange does not wish to penalize members that execute significant volumes on the Exchange due to anomalous and extraneous trading activities of a small number of firms in sub-dollar securities. The proposed rule would seek to avoid such a penalty by determing whether calculating member volume and total Consolidated Volume for December to include or exclude sub-dollar volume would result in Exchange members qualifying for the most advantageous credits and charges, and then applying the calculations that would result in the pricing that is most advantageous to each member.

The Exchange notes that other exchanges have taken similar steps to avoid penalizing their members for unusual occurrences that would otherwise cause members to fail to qualify for volume-based tiered pricing.[5]

The Exchange believes that the proposed rule change is an equitable allocation and is not unfairly discriminatory because the Exchange intends for it to ensure that no member suffers adverse pricing impacts in December 2020 due to an anomalous spike in

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5 See, e.g., Securities Exchange Act Release No. 34-90339 (November 4, 2020), 85 FR 71689 (November 10, 2020) (SR-PHLX-2020-50); Securities Exchange Act Release No. 34-85025 (Jan 1, 2019), 84 FR 2611 (February 7, 2019) (SR-ISE-2018-102).

sub-dollar volumes. That is, the Exchange does not intend for the proposal to advantage any particular member; rather, it intends for the proposal to avoid disadvantaging any member.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees and credits to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee and credit changes in this market may impose any burden on competition is extremely limited.

In this instance, the proposal does not impose a burden on competition because the Exchange's execution services are completely voluntary and subject to extensive competition both from other exchanges and from off-exchange venues. If the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result.

The Exchange does not believe that the proposal will burden intra-market competition. As noted above, the proposal will simply help to ensure that no member suffers a pricing disadvantage in December 2020 due to an anomalous spike in sub-dollar volumes which dilutes Consolidated Volume. It is not intended to provide a competitive advantage to any particular member.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[6]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or

[6] 15 U.S.C. 78s(b)(3)(A)(ii).

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2020-087 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2020-087. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (http://www.sec.gov/rules/sro.shtml).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-NASDAQ-2020-087 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[7]

J. Matthew DeLesDernier
Assistant Secretary

[7] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Deleted text is [bracketed]. New text is underlined.

The Nasdaq Stock Market LLC Rules

* * * * *

EQUITY 7 PRICING SCHEDULE

* * * * *

Section 114. Market Quality Incentive Programs

…

Definitions and Certifications

(h) Definitions

For purposes of this Section, the terms set forth below shall have the following meanings:

(1) – (4) no change.

(5) The term "Consolidated Volume" shall have the same meaning as the term has under Equity 7, Section 118(a). *(For purposes of calculating a member's qualifications for the charges and credits set forth in this Section during the month of December 2020, the Exchange will calculate a member's volume and total Consolidated Volume twice. First, the Exchange will calculate a member's volume and total Consolidated Volume inclusive of volume that consists of executions in securities priced less than $1. Second, the Exchange will calculate a member's volume and total Consolidated Volume exclusive of volume that consists of executions in securities priced less than $1. The Exchange will then assess which of these two calculations would qualify the member for the most advantageous credits and charges for the month of December and then it will apply those credits and charges to the member.)*

…

* * * * *

Section 118. Nasdaq Market Center Order Execution and Routing

(a) The following charges shall apply to the use of the order execution and routing services of the Nasdaq Market Center by members for all securities priced at $1 or more that it trades. For purposes of determining a member's shares of liquidity routed, TFTY, MOPB, MOPP, SAVE, SOLV, CART, QDRK, QCST and directed orders are not counted. As used in this section, the term "Consolidated Volume" shall mean the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity.

(For purposes of calculating a member's qualifications for the charges and credits set forth below during the month of December 2020, the Exchange will calculate a member's volume and total Consolidated Volume twice. First, the Exchange will calculate a member's volume and total Consolidated Volume inclusive of volume that consists of executions in securities priced less than $1. Second, the Exchange will calculate a member's volume and total Consolidated Volume exclusive of volume that consists of executions in securities priced less than $1. The Exchange will then assess which of these two calculations would qualify the member for the most advantageous credits and charges for the month of December and then it will apply those credits and charges to the member.)

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